

CONFIDENTIAL
WEEKLY HOT TOPICS REPORT for RA/DRA Region 8
Week ending September 7, 2018

OFFICE OF ECOSYSTEMS PROTECTION AND REMEDIATION

HOT ISSUES AND IMPORTANT DEADLINES:

Captain Jack Mill Superfund Site: Planned, controlled release of water scheduled for September 6

Key Message: A planned, controlled release of water is scheduled from the Big Five Tunnel, in-tunnel novel treatment system, from the engineered bulkhead flow control valve starting on September 6, 2018.

- A novel in-tunnel treatment system remedy in the Big Five Tunnel at the Captain Jack Mill Site, near Ward, Colorado, started operations May 2018 by closing the valve at the engineered bulkhead. The treatment concept is to flood the mine workings, recirculate the water through a packed section of limestone, and monitor for water quality and water levels changes in the near-tunnel ground water system.
- Operation plans for the system are documented in the “*Mine Filling and Monitoring Plan (MFM plan), Captain Jack Mill Superfund Site Subsurface Remedy*”. Dated September 2017.
- Engineered system and MFM plan allows for a planned, controlled release of water from the flow control valve at the bulkhead if unexpected conditions arise.
- Flow will be controlled through a valve and piping system that sends water to a series of two settling ponds. Flow will follow same pre-remedy flow path from the lower settling pond through a natural low-lying area and into Left Hand Creek. Flow rate anticipated at 50 gpm (maximum 100 gpm). Settling ponds are anticipated to handle this flow based on past performance and significantly remove solids. A plume is not expected in Left Hand Creek based on past experience, but may be a remote possibility due to low flows in the creek or potential mobilization of existing material from the low-lying area. Anticipated range of pH is ~2.5 to 6.5 based on in-tunnel borehole data. Historic pre-remedy flows ranged from 20 gpm to 160 gpm and pH of ~2.5 to 4.5.
- Unexpected conditions currently occurring are: (1) a faster than anticipated rate of increase in the mine pool water level as measured by boreholes into the tunnel, currently at ~2 ft./day, (2) operational issues with the recirculation system, (3) operational issues with one of the in-situ (in-tunnel) water monitoring probes, and (4) lower pH water in the mine pool than anticipated with the limestone presence. For these reasons the RPM and CDPHE PM (lead agency) believe it necessary to allow a controlled release of water to limit further mine pool water level rise until a full evaluation and repair of the system components is performed. If the water level above the tunnel were allowed to raise an additional 50 feet, it is at least possible that an uncontrolled release could occur at the surface of a borehole intersecting the tunnel. The valve will be closed once the system components can be operated as intended.
- A fluid hazard consult with HQ was conducted in 2016 before the remedial action construction. A 2-year O&F period is in progress as per the 2008 ROD to allow extended monitoring of this novel remedy operation and performance.
- Contacts: Joy Jenkins, Superfund RPM, 312-6873; Steve Wharton, Superfund Unit Chief, 312-6935

Anadarko Minerals Well Blowout, Fort Peck Indian Reservation, Montana* (New)

Key Message: On April 27, 2018, Anadarko Minerals Inc. (no relation to Anadarko Petroleum), reported a release of an oil emulsion from a well in a remote area of the Fort Peck Indian Reservation, northeast of Glasgow, Montana.

- The release is estimated at 450 to 600 bbls of oil (18,900 to 25,200 gallons) and 55,000 to 90,000 bbls (2.3 to 3.8 million gallons) of produced water. The release was contained in a stock pond constructed in the drainage to Porcupine Creek. Porcupine Creek drains into the Missouri River.
- EPA Region 8 Emergency Response deployed to the incident and has worked with Anadarko Minerals, the Tribe, BLM and the USFWS on the response. In May 2018, Anadarko Minerals excavated the impacted soils within the drainage and removed the bulk of the oil on the stock pond. In July 2018, BLM, EPA and the Tribe approved Anadarko Minerals' plan to complete the clean-up including: water treatment for the impacted pond; and soil amendment and revegetation for the impacted drainage. Despite approval of the plan in July, there is concern that Anadarko Minerals may not fully implement and complete the clean-up prior to winter. EPA is working with closely with the Tribe and BLM to ensure that Anadarko Minerals completes the clean-up and response.
- Contact: Joyel Dhieux 312-6647

OFFICE OF ENFORCEMENT, COMPLIANCE & ENVIRONMENTAL JUSTICE

HOT ISSUES AND IMPORTANT DEADLINES:

CAA Enforcement Nearing an Administrative Settlement ~~Deliberative Process / Ex. 5~~

Enforcement/Investigatory / Ex. 7(a)

- Contacts: Laurie Ostrand, 312-6437, Joseph Wilwerding, 312-6729; Legal Contact: Jessica Portmess, 312-7026

Region 8 has agreed to terms on an Administrative Clean Air Act Enforcement Action with Phillips 66 for violations of New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Title V, and the Billings/Laurel Area Federal Implementation Plan at the Billings, Montana Refinery

Key Message:

- Information provided by Phillips 66 indicated that the Flare operated at a steam-to-vent gas ratio well above 3.5 for several thousand hours during the period from 2006 to August 2012. Flare tests have shown that when the steam-to-vent gas ratio exceeds 3.5, the combustion efficiency of a flare decreases significantly.
- This facility was found to be in violation of the NSPS and NESHAP general provisions that require flares be used only with net heating value of the gas being combusted at 11.2 MJ/scm (300 Btu/scf) as well as the requirement to operate air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.
- Through this agreement, Phillips 66 also agreed to actions to correct the cause of the 2017 sulfur dioxide FIP exceedances, which resulted from inaccuracies in the sulfur dioxide monitoring system. Monitoring system improvements have been made to correct the monitoring inaccuracies.
- The proposed settlement with the Phillips 66 Billings Refinery would result in an estimated reduction of 228 tons per year of VOC due to improved flare combustion efficiency and reduced waste gas generation. The settlement would also account for 15 tons per year of excess sulfur dioxide emissions from violations of the FIP.
- Settlement includes a SEP with two new diesel buses being provided to two community organizations in Billings as well as a cash penalty.
 - Two busses valued at \$110-120K each and \$150K in a civil penalty.
- Contacts: Bob Gallagher, (406) 457-5020; Legal Contact: Jessica Portmess, 312-7026

NPDES Enforcement Plans to Send a Warning Letter to the Bureau of Indian Affairs for Significant Noncompliance (SNC)

Key Message: National Pollutant Discharge Elimination System (NPDES) Enforcement plans to send a warning letter to the Bureau of Indian Affairs (BIA) to notify them the EPA's data indicates they are in significant noncompliance at the Crow Agency Water Treatment Plant and request corrective actions.

- The facility is in SNC for not submitting discharge monitoring reports (DMRs) within 30 days, and some DMRs are several months late.
- Compliance assistance has been provided on multiple occasions through phone calls and emails requesting the DMRs be submitted.
- The warning letter is being sent to the BIA Superintendent for the BIA Crow Agency, Clifford Serawop, and notifies the Mr. Serawop that these are considered potential violations. The letter also states that if the EPA makes a final determination that a violation has occurred, the EPA will evaluate appropriate next steps including enforcement.
- Technical Contact: Akash Johnson, 312-6067; Management Contact: Stephanie DeJong, 312-6362

OFFICE OF PARTNERSHIPS AND REGULATORY ASSISTANCE

HOT ISSUES AND IMPORTANT DEADLINES:

Proposed Rule to Revise Wyoming Regional Haze Federal Implementation Plan (FIP)

Key Message: On January 30, 2014, the EPA promulgated a final rule approving, in part, a regional haze State Implementation Plan (SIP) revision submitted by the state of Wyoming. In the final rule, the EPA

also disapproved, in part, the Wyoming regional haze SIP and promulgated a FIP. The FIP imposed nitrogen oxides (NO_x) best available retrofit technology (BART) emission limits (0.07 lb/MMBtu) for Units 1-3 at Basin Electric's Laramie River Station. Basin Electric, the state of Wyoming, and others challenged the final rule. After discussions through the U.S. Court of Appeals for the Tenth Circuit's Mediation Office, Basin Electric, Wyoming, and the EPA reached a settlement agreement.

- Under the settlement agreement, the EPA must sign a notice of proposed rulemaking to revise the FIP by October 5, 2018.
- The final rule must be signed by the Administrator.
- The settlement agreement requires the EPA to propose revisions to the Wyoming regional haze FIP for installation of selective catalytic reduction (SCR) on Laramie River Station Unit 1 by July 1, 2019, and the following alternative to the NO_x BART emission limits:
 - Revised NO_x emission limits for Laramie River Station Units 2 and 3 of 0.15 lb/MMBtu and installation of selective non-catalytic reduction (SNCR) commencing December 31, 2018; and
 - A new sulfur dioxide (SO₂) emission limit for Laramie River Station Units 1 and 2 of 0.12 lb/MMBtu (annual) averaged across the two units commencing the date that the EPA's final revised FIP becomes effective.
- We are working with the Department of Justice (DOJ), Basin Electric, and Wyoming on a draft amendment to the settlement agreement requiring Units 1 and 2 to meet the SO₂ emission limit by December 31, 2018.
- Contacts: Monica Morales, 312-6936; Jaslyn Dobrahner, 312-6252

OFFICE OF TECHNICAL AND MANAGEMENT SERVICES

No report

OFFICE OF WATER PROTECTION

HOT ISSUES AND IMPORTANT DEADLINES:

Notice of Incomplete NPDES Permit Application - City of Parshall Water Treatment Plant

Key Message: The City of Parshall will be notified in writing that their NPDES Permit Application is incomplete and provided 30-days to provide necessary information per the HQ letter notification process.

- Office of Water has established the goal that all new NPDES permit applications be processed with permits issued and effective within 6 months of application receipt. In the past, some new permit applications languished because applications were incomplete and could not be processed.
- HQ developed a new series of template letters to notify permittees when their applications are incomplete. This is a three-step process with a first letter placing the applicant on notice that their application is incomplete and providing a deadline for finalizing or withdrawing the application. If this deadline is not met, a second letter is sent to provide notice that EPA will deny the permit application within 30-days if information is not received. If no resolution is forthcoming, a third letter provides notification that the application is denied.
- On April 19, 2018, Region 8 received a NPDES permit application for the City of Parshall Water Treatment Plant which was incomplete. Staff reached out on August 23, 2018, via phone to informally discuss the application and request additional information.
- On September 5, 2018, Region 8 issued the first notification letter to the City of Parshall of their incomplete application requesting specific information by October 5, 2018.
- Per the HQ's template, David Ross, OW AA, is copied on this letter.
- Contacts: Sandra Spence, 312-6947; Paul Garrison, 312-6016

Addressing UIC Permit Application Backlog through Voluntary Withdrawals

Key Message: EPA Region 8 will be issuing letters to two UIC permit applicants by September 15 requesting that their applications be voluntarily withdrawn in 30 days.

- Azarga Uranium Corporation (Powertech) submitted UIC Class V and III permit applications in 2009 and 2010 respectively for its proposed Centennial uranium ISR project in Weld County, Colorado. In October 2011, Powertech formally requested that EPA suspend its work on both applications and focus on its proposed Dewey Burdock project.
- Simple Oil submitted a UIC Class III permit application for its proposed pilot nahcolite ISR project in western Colorado in 2014. Recent conversations with the operator confirmed that this project continues to be on hold and is not a priority for the company.
- To reduce the Region's UIC permit backlog, EPA will request that both companies voluntarily withdraw their UIC permit applications within 30 days. In its request, EPA is committing to: 1) retain the complete administrative record for each application; and 2) make these applications a future priority should they be re-submitted with updated data.

Deliberative Process / Ex. 5

- Contacts: Douglas Minter, 312-6079; Sarah Bahrman, 312-6243

PFAS in Drinking Water in South Adams County (Commerce City, CO)

Key Message: Tri-County Health Department (Tri-County) has decided not to hold a public meeting at this time about PFAS contamination in South Adams County.

- SAC sent over 20,000 mailers about PFAS in early August, and have a prominent link to that notice on their website. Tri-County also sent letters to private well owners in the area. Public response to this outreach has been slow, and neither organization has gotten many inquiries or requests to sample.
- SAC continues to sample for PFAS and manage the ratios of water they draw from different wells and from their interconnect with Denver Water to maintain levels of PFAS that are below the EPA Health Advisories. Currently, the combined concentration of PFOA and PFOS in drinking water is 33 ppt.
- All parties have preliminarily agreed on a sampling plan to help identify the source(s) of PFAS contamination. Sampling is currently scheduled to be conducted in mid-October.
- Tri-county is also planning to sample four private wells and four smaller PWSs in the area at the end of September to determine the extent of contamination.
- EPA committed to providing updates about Agency PFAS activities on future calls.
- Contacts: Lisa Kahn, 312-6896; Sarah Bahrman, 312-6243